Scott. H-27—30,000—26-11-31.

Development (1932) Department.

SERIES.

G.O. No. 424

DATED

[Despatch Abstract.]

Industries — Cashewnut industry —
Guidance to — Papers recorded

Dev.

Des. 362-II
26-1-32

CODES USED:-A. B. C. 5TH EDITION IMPROVED.
A. B. C. 6TH EDITION.

TEL. ADDRESS:-"IFPCO" MANGALORE.

Indian Food Products Co.

MANGALORE, (INDIA.)

[illegible]

The production of cashew-nut kernels is an important [illegible] and trade on the West Coast, particularly the latter, [illegible] being the chief centre of manufacture. The kernels [illegible] either consumed in India or exported to foreign countries [illegible], the quantities required for either of these purposes [illegible] equal. Till 1930 the foreign trade was [illegible] of comparatively recent origin, the maximum quantity exported not [illegible] more than a million or a million and a half pounds [illegible], America [illegible] only about 700,000 lbs. [illegible]. The phenomenon increase in the exports to America [illegible] quantity exported [illegible] according to the American statistical reports being [illegible] millions pounds and the [illegible] have risen to about seven [illegible] pounds. The great increase in the American trade is due to the introduction by [illegible] and Bruce [illegible] known in the trade as [illegible] process" particularly [illegible] precision and [illegible] manufacture and grading and extensive advertisement. One [illegible] American firms interested, especially the [illegible], a subsidiary of the General Food Corporation, the largest [illegible] organization of the kind in the world, who control the [illegible]

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 MANGALORE, (INDIA.)

Of the exports to America atleast two-thirds are sent from Mangalore alone the quantity exported last year from this port being about three and half millions pounds. Mangalore possesses unique facilities for this industry as it has a large number of skilled operatives accustomed to and trained in the industry and it also produces Raw-nuts though on a comparatively limited scale.

For the American market one bag of raw-nuts of 2½ cwts. yield about 25 lbs. of packable nuts. In order to meet the present requirements of the industry both foreign and local about 5 to 7 hundred thousand bags atleast are required in Mangalore alone and if large quantities of raw-nuts could be made available the industry can be expanded much further. The produce of raw-nuts in South Kanara is estimated at about 80 to 90 thousand bags and an equal quantity is produced in the adjacent parts of Malabar, Cochin and Travancore out of which is imported into Mangalore. The deficiency is made up by the importation of African nuts.

These African nuts are now chiefly collected in the Portuguese territory of Mozambique. The tree does not grow in other countries in that country, its fruit alone having been utilised until recently for distillation of liquor. The great demand for kernel from America has stimulated this export and made the export of raw-nuts into India, about two years ago

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scarcely more than 30 to 40 thousand bags, last year the quantity imported into India was 140,000 bags. A great deal of there however was taken by firms having factories in Goa where the nuts are allowed to be imported duty free and advantage has been taken of this to extend the production in Goa to the detriment of British India. As the nuts have to be collected all over the country the cost of collection is high especially where transport facilities as in Mozambique are inadequate. The African nuts is not capable therefore of being sold at a very high price in India, the cost of collection, the cost of transport and middleman's profit, amounting to a large sum. It has to be brought from a great distance after being collected by the villagers in Mozambique itself as the price of raw-nuts is determined by the price of the kernels which depends upon the value of the nuts of similar quality the consequence of an increase in prices of raw-nuts due either to the imposition of duties or uneconomical methods of collection, transport, extracting etc. is a fall in the Indian demand with disastrous results to the business in India. The African nuts come to the market from December to April when the Indian crop is exhausted and thus form a natural supplement to the Indian crops.

The African prices have more or less remained at the same level for the past five years having reached the maximum and the tendency is downward as the high price of nuts limits

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its consumption while a decrease in prices will automatically increase the demand and extend the market. The best method of developing the Indian business will therefore be to reduce the price of raw-nuts by increasing the supplies produced locally but there is little scope for any great increase of production of raw-nuts in the near future in this manner as vast plantations have to be raised and it takes atleast seven years for the tree to yield under the most favourable conditions. Liberal concessions should be offered immediately to encourage the growth of cashew-nut plantations by publishing areas of land suitable for the purpose wherever available especially in the Coastal Districts and the grant of the same with liberal concessions. Until these measures bear fruit every facility should be granted for the importation of raw-nuts from other countries for manufacture in India for re-exportation to U. S. A. and other foreign countries.

A

To give relief to the industry two concessions are possible viz. (1) Complete remission of duty and (2) partial remission of duty only in case of manufactured goods re-exported abroad. The former will benefit all classes of production both local and foreign but as the primary object of the concession is to extend the market abroad and increase actual production of manufactured goods in India the latter viz. remission of duty only in respect of

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[illegible] for manufacturing kernels and other products for export to foreign countries, it seems better suited both for developing the industry and securing Government interest. It is therefore desirable in the first instance to try the alternative. Export to foreign countries is most likely to be undertaken only by concerns having adequate capital able to maintain large and suitable factories. The manufacture of kernel for the American market is a very complicated process requiring special methods of roasting, peeling, grading and packing requiring the employment of considerable number of [illegible] skilled labour. Moreover the manufacture of kernel is not the only industry possible with [illegible] oil has to be extracted from the shells by the [illegible] machinery which has been designed for the purpose and [illegible] can be utilised for some other important [illegible] for [illegible] relief to the industry the [illegible] would be most convenient. By this [illegible] sacrifice of revenue be [illegible] that absolutely necessary to encourage foreign export will be eliminated and effectual precautions can be taken against the evasion of duty. It will moreover ensure the concession being taken [illegible] only by concerns able to develop the industry on a large scale and to bear the expenditure of any special staff [illegible] supervision. Also the Government will not [illegible]

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5. As regards the extent of the reduction of duty required nothing but the complete removal of the duty will help the industry. As a result of manufacturing [illegible] several years it is found impossible to reduce the average cost of production below four annas a pound according to American requirements. Taking the prices of different grades of wholes and pieces as prevailing from time to time into account as the average price per pound is about 3 to 3½ annas a pound for wholes, and 4 to 5 annas a pound for pieces. The cost of manufacture per pound should not be therefore exceed 4 to 5 annas a pound and as on the whole we get only [illegible] payable nuts per bag, on the average the cost of manufacture should not exceed Rs.7/- a bag of 140 lbs. delivered at the [illegible] wholes. Taking a allowance for fluctuation of prices due to speculation, and other causes the average value of the nuts has remained at this figure, for the past three years in spite of the increased demand for kernels. As collection and transport and other charges are heavy in Africa and the African nuts being too dry yield a small percentage of wholes it cannot be sold in India at a profit unless at a price about 25% below that of the Indian nuts. Thus if any duty has to be paid the price will be raised in such a way as to effect the Indian Nuts or to leave a qualified marginal profit for the [illegible]

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supply of raw-nuts. The position created by the facilities offered in certain parts of India such as Goa to import these articles free of duty cannot be overlooked in this connection. The imposition of duty in India will result eventually in the diversion of the business to Goa and the restriction in the British Indian production. The increase of employment is the coastal areas is a problem of the greatest importance. In Mangalore for instance owing to the fall in the price of coir the number of people directly or indirectly employed in this industry show a tendency to decrease. A similar effect is perceptible in other export business such as cardamom, pepper etc.. The tile industry is in a precarious condition. Any business that can stand the existing depression and has scope of expansion deserves therefore special consideration. The cashew-nut factories in Mangalore employ nearly about 6000 people in this industry. An equal number carry it on as a cottage industry, throughout the District, but even a large portion of such production is taken by exporters abroad. There is sufficient labour available in Mangalore to permit of an immediate doubling of production and every measure calculated to increase the supply of raw-nuts helps towards this end. Facilities given for increased import of raw-nuts will not affect the price of raw-nuts- which is determined already stated by conditions of the world market for nuts and the

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demand so long as the price of the kernel could be kept up within these limits/being capable of unlimited expansion there is no reason to apprehend any injurious competitions so far as the Indian production and price of raw nuts is concerndd. On the scarcity of labour in Africa and also the special skill and experience required for this industry there is very little likelihood of factories being started in Africa to deal with the production and India will continue for a long time to be the outlet for cashew nuts produced in Africa.

In regard to the proposal to limit the concession of remitting the duty only to concerns willing to carry on manufacture in bond it may be contended that such a condition is likely to benefit only large concerns able to satisfy the conditions required for manufacture in bond and even if they could will introduce restrictions calculated to interfere seriously with the process of manufacture and the export of the articles. The object of this concession is mainly to encourage the manufacture of cashew nuts kernels and other products of this industry in India and thus increase the occupation of the people. If an unqualified remission of duty is given the immediate result will be that the importers of raw nuts will take advantage of the same by raising prices of raw nut and

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it may take long for the concessions to reach the industry. Any firm engaged in exporting kernels to foreign countries may be naturally expected to carry on this trade business on a sufficiently large scale to justify their conforming to the conditions required to obtain the concession, which may thus be made a powerful lever to stabilize and strengthen the industry. As regards the small producers i.e. persons carry -ing on the industry as a cottage industry they do not depend on the African nuts to any material extent, and the more the larger factories use African nuts, there will be more local nuts available for the use of such producers. There will be such steadying of prices also as a result of the diminished speculation in foreign nuts. A system of bond will while safeguarding Government revenue be thus equally advantageous to the local consumer as well as the foreign exporter of kernels. This method is usually adopted in cases in which it is considered necessary to grant special facilities for import of raw materials for manufacturing purposes and it affords sufficient scope to adjust the concession to the requirements of the industry. It is very necessary that the concession should be used as to result ultimately in the efficient organization and stabilizing of the industry and this object can be attained not by giving it as a general

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conc[illegible]tion but by ensuring sure that it will be utilized in developing this industry.

7. At present the development of this industry has been primarily due to the American effort working in close co-operation with the Indian producer and the research and experiments carried on by the Americans. Having regard to the great possibilities of this industry Government assistance is urgently needed on the one side to [illegible] and on the other for extensive research into the [illegible] possibilities of this important product.

INDIAN FOOD [illegible]
OF [illegible]

Dec. 351-II
26-1-32

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CONCESSIONS REQUIRED FOR THE DEVELOPMENT OF THE CASHEW NUT INDUSTRY.

(a). Increase of facilities for importation of African nuts:- The quantity available in Africa is equal to 50 per cent of the Indian production and meets about 3/5 of the [illegible], thus not interfering with the local demand for nuts. The African nuts which come into the market from November to April after the Indian crop is exhausted, the industry cannot be kept continuously working. Having regard to the deficit in the supply of nuts it is absolutely necessary to import them and but the price should not exceed that of the Indian nuts. If the duty is not remitted this will add to the price, but the refund of the duty should be made so as to reach the industry. This can be done only by systems under which the actual manufacturer will get the benefit of the duty and not the importer of raw nuts. The system of manufacture in bond is intended to meet such cases and as the object of Government should be to strengthen the industry as a whole, there is every justification to limit the concession only to manufacturers who carry on business on a sufficiently large scale to be able to satisfy the conditions required for manufacture in bond. Without some such discrimination the concession will not benefit the industry permanently and may on the other hand encourage

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speculation. The small producer is not affected as his require-ments are met by local supplies. As a matter of fact the small producer does not use African nuts. Unless the Indian firms working for the American market are sufficiently strong they cannot hold their own with the American firms, and not be able to derive the full benefit from the business. The Indian Food Products Company of Mangalore is authorized to use the Vitpeak Process which is a patent right enjoyed by the General Food Corporation of America which handles the bulk of the Fisheries nut business in India and are therefore in a position to use the concession for the benefit of the Industry.

(b). Increase of local production:-

This should be by means of plantations and encouraging people to grow cashew nut trees by bringing to their knowledge the profits to be derived from such cultivation. Supply of good seed and technical advise and investigation into best methods of planting and overcoming disease. For plantation large areas of suitable land should be granted where ever available. The Collectors of the Coastal Districts should be requested to prepare such lists of such land by referring to the Karnam's A 3 accounts and these lands should be given on special terms. In Mysore state the lands are given free of upset price and free of assessment for eight years and thereafter, from 8 annas to one Rupee per acre. Government can greatly increase the income to be derived from

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the forests by asking Forest Officers to raise cashew nuts which should form eventually a valuable item of minor forest produce. In the neighbouring Indian States of Travancore, Cochin and Mysore and in Goa much attention is paid by the Forest Department to raise cashew nut plantations. To meet the initial capital usually required for plantations, takavi loans should be given if any Company can be started to raise cashew nut plantations. Government should help the same by taking shares or giving loans and grant of land on easy terms.

(c). Experimental and other work to be done:-
Excepting kernels the rest of the products from the nuts are now wasted. The oil of the shell has very valuable commercial uses. It is locally known to be a good wood preservative. It is also useful for paints. It is found to be one of best plastic substances. The Government should immediately start necessary experiments to ascertain and demonstrate to the people the commerical uses of the oil. Similar uses should be found also for the bark and the gum.

(d). There were large plantations of cashew nut trees in South Canara when the fruit was used for distillation of liquor. When this was prohibited and as there was no demand for nuts trees were cut down on a large scale. So long as Government manufacture liquor, there is no reason why it should prohibit itself to manufacture liquor from cocoanut or jaggery. In Goa liquor is still distilled from cashew fruit and the result is

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that the best nuts are found there. It will also be possible to use this alchohol if manufactured in sufficient quantities to make methylated spirits, industrial alchohol etc. question of manufacture of alchohol from the fruit should be re-investigated with reference to present conditions. Both the fruit and the oil and the liqour are reputed to possess medical properities. This should also be investigated.

12 (l) The prevention of adulteration:- The quality of raw nuts in the market should be improved by putting a stop to mal practices. There is a good deal of adulteration with immatured and spoilted nuts. This is due to the merchants now handling the business. Some system of the producers of raw nuts supplying the consumer will put a stop to the abuses. The ~~syst~~ Registrar of Co-operative Societies should be asked to investigate the possibilities of handling the business by means of Co-operative Societies.

13 (f) Financial assistance:- The financial facilities available for the business are at present most inadequate. The Imperial Bank has stoped all produce loans on cashew nuts which has ~~fully~~ greatly affected the industry. Pressure should be brought on the Imperial Bank to help this important industry, and if this is not possible to help the same by special financial assistance to other indigenous Banks handling the industry. ~~Loans will~~ also should be given to concerns not merely

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for erecting factories but to legitimate purposes of trade when-
-ever required.

14 (g) Collection of Statistics:- The American Government publish monthely statistics of import of kernels in America We should have correct statistics of local production of raw nuts exports of kernels etc. The growth of the industry should be watched and fostered.

15 (h) Transport facilities:- Railway rates are too high and practically render it impossible to get either raw nuts or send imported kernels by rail. The rate should be reduced. Harbour and other charges are also too high. Special rates should be arranged through Shipping Companies.

16 (i) Subsidiary industries to be established:- Manufacture of cases and tins can be undertaken in the District.

P. L. D'Souza
Indian Food Products Company

19.1.32

Dev.

Dev. 359-II
26-1-32

The District Advancement Association,

MANGALORE.

To

The Honourable Dewan Bahadur

S. Kumaraswami Reddiar Avl.,

MINISTER FOR EDUCATION TO THE

GOVERNMENT OF MADRAS.

27.1.32

Sir,

1 We, the undersigned approach you on behalf of the District Advancement Association, to urge, a few out of the many urgent needs of this district, taking advantage of your visit to our town. We are glad that we are given an opportunity of discussing those needs with you personally, as it enables all of us to state our case from different view points, and your visit here will enable you to make further investigations into the matter and grant us speedy redress.

2 We wish to place before you two important subjects that have been absorbing our interest and engaging the attention of Government for some time past and these are (1) to develope the Mangalore Trades School and place it on a firm basis; (2) to assist us and the people of this district in the newly found industry in connection with the export of Cashew kernel to Europe and America.

3 You might be aware that the District Advancement Association was mainly responsible in securing the establishment of the Mangalore Trades School, by inviting due attention of the officers of the Industries Department and your predecessors in office to the existence of the need for such a school and the facilities that our town and district present for its rapid development. We do not propose to repeat here all the arguments which we urged before your predecessors in office and they are all contained in similar written memoranda submitted to them, the last of which was submitted to the Hon'ble Mr. M. R. Sethurathnam Iyer and is dated 14th April 1930. We have now the experience of the working of the school for three years which is sufficient to justify all the arguments we have been advancing in favour of the establishment and development of the school and we dare say, these results have also fairly satisfied the expectation of government as regards the future of this school. Ever since the school was sanctioned we have been urging, that it ought to be located in a government building specially designed and constructed for the purpose, for it would, not only facilitate work, but also create confidence in the minds of intending pupils, particularly the boys with higher educational qualifications to join the school. The Director of Industries, as well as, your predecessor in office has assured us that there is no doubt that the school will be made permanent, but yet, now that retrenchment proposals are in the air, and we find from the news papers that the budget allotment for the three newly started industrial

schools, including the Mangalore School, has to be reduced to Rs. 45,000/- per annum, has created strange fears in the minds of all concerned, and we hasten to approach you to make sure, that even if the construction of the building has to be postponed on account of financial difficulties, the school and all the present courses of instruction in the school will be retained intact. Even if for any reason, the government should feel any necessity for altering or reducing the courses now in force, we hope and trust that it will not be done, without giving the District Advancement Association an opportunity to submit its suggestions in this behalf, before government arrives at any final decisions in the matter. With this confidence, which the Association does merit, in view of all the humble services that it has rendered at the inception and has continued to render from time to time, up to the present day, we proceed to place before you certain suggestions for the enlargement of the scope of its work, from the commencement of the next school year

4. We beg to suggest that a course of instruction in electric wiring is not only a necessary adjunct to the existing courses in mechanics and motor mechanics but an urgent need of this place, as Mangalore is just beginning to have electric lighting for the whole town, and arrangements for street lighting are rapidly in progress. With your leave, we would also add a further suggestion *viz.* of instituting a motor repair section, which ought to enable the Superintendent of the school to entertain repairs of motor vehicles, at reasonable rates. This, if properly and carefully planned would mean a source of income to the school, which could very well be utilised for enlarging the scope of instruction in the courses already provided for, as also for adding new courses, by providing the necessary additional funds required though we are passing through a period of financial stringency. We may assure you that even the Mangalore Municipality which has now begun to own a number of motor vehicles, and is not possessing a workshop of its own, may be only too glad to snatch such an opportunity and enter into a contract with the school authorities, and this in itself might enable the school authorities to start the electric wiring section. There will be no question then of any competition with private enterprise, and we dare say, that the Association itself will maintain a strictly watchful eye, so that the new workshop will not conflict with private enterprise. A properly fitted workshop having well qualified staff, will supply a real want rather than compete with the existing workshops, which are available to the people at large, as they are lacking in their supply of skilled and technically well qualified motor mechanics.

5. The cashewnut kernel industry has developed very recently in India and large quantities of kernel are now exported to Europe and America. It is said that seven to eight million pounds is the total Indian out-put, out of which South Kanara produces nearly one-fourth of the whole quantity, Malabar, one-eighth, Cochin, one-sixteenth, Travancore, one-eighth, Goa, one-sixteenth, and the remaining one-eighth, in the rest of India. From these figures, it is clear, that South Kanara occupies, quite a prominent place in the matter of production, but in point of export, Mangalore, occupies, a far more important place, and is perhaps the chief exporting centre for India. The cashew fruit and nut in South Kanara is available chiefly from March to June and then we have to wait till the next season, for a fresh supply. But in East Africa, (Mozambique etc.) the fruits and nuts are available only after November, and with the help of

these imported nuts, therefore, the merchants in Mangalore are able to keep up their export trade throughout the year. It would appear that the government imposed an import duty on the African nuts mainly to protect the producers in South Kanara, but the cashew merchants here seem to have petitioned government for its removal. The Industries Department was pleased to consult the Association on this matter, and a letter received from one of the local merchants, on the subject, was forwarded, with the suggestion that matters might be allowed to continue unaltered for some time. The question has since been thoroughly discussed by the Association with several persons interested in the industry and we now, come forward to suggest, that the import duty may, if possible, be completely removed. It appears in Goa, no such duty is levied, and combined with it, Goa has the advantage of possessing a very safe sea-port, and we hear that a large number of factories have been started there recently and there is the danger of all the West Coast Cashewnuts finding their way to Goa. In these circumstances, we earnestly submit, that the Government may be pleased to bestow its best consideration to the subject and abolish the duty altogether, having regard to the fact that business which now amounts to nearly fifty lacs of rupees annually (which represents the value of the annual Indian export) is going to be affected by it. The people of Mangalore have also every reason to protect this industry because, when the tile factories showed a decline in business, the cashew factories rapidly grew up, and thereby the labourers, continued to find employment. It is said that from six to seven thousand labourers are employed in the factories in Mangalore now and about fifteen lacs of rupees is spent on them annually.

6 South Kanara being, at present the most productive of all places in India, and Mangalore having concentrated round itself, the major portion of the export trade in India, it is submitted, every effort should be made to stimulate the cultivation of the Cashew-tree in this district. There are large tracts of government waste lands in which extensive plantations could be easily raised,—as the cashew grew wild in these parts—and it only requires the cooperation of people and some assistance of government, to convert South Kanara into a cashew plantation district, just as Coorg and portions of Mysore developed into coffee plantation countries during the last 50 or 60 years. Our suggestion in this respect is to call from the Revenue Department, statistics giving the government an idea of the available waste lands which could be easily converted into blocks of cashew plantations ranging from 50 to 100 or 200 acres, without however in any way infringing the existing kumki rights of all neighbouring Wargdars. The next step would be to permit only joint stock or limited companies which permit all classes of people without distinction of caste or creed to become members there of, and assign these blocks only to such companies free of assessment, until the plantations begin to yield. In fact in Coorg and Mysore, several concessions are shown even now to coffee-planters,—through coffee has established itself there long ago, in the matter of payment of assessment etc.

7 It is not merely the cashew-nut kernel which is valuable, but even the shell of the nut yields a very valuable oil, which if deodorised, will establish itself very well particularly as it is a very good preservative for timber against moisture and white-ants, and a very useful ingredient in preparing and polishing the floor of dwelling houses, and as an ingredient for being mixed in the

preparation of valuable paints, It is therefore, highly desirable that the government should be pleased to order the investigation of cheap processes for deodorising the cashew-nut oil at the Indian Institute of Science or elsewhere.

8 In this connection, we beg to invite your attention to the fact that the Indian Institute of Science is already carrying on certain investigations regarding the possibilities for using cashew alcohol, as a Power alcohol which is a substitute for petrol; and this it does at the instance of the Madras Government, which was pleased to sanction the same, on our suggestion. The Association has been sending supplies of cashew fruits to the said Institute, whenever it was called up on to do so, but the results of such investigation have not at all been communicated to the Association. We submit, that the Director of the said Institute, may therefore be requested to communicate, all useful results of their experiments from time to time, to the Association, which is always ready to render any further help in the matter of procuring the supplies of fruit or nut that may be required.

9 It only remains for us to mention one more matter connected with the local cashew industry, which is of importance to the cashew merchants, who have been called upon by the Local Board authorities to shift their burning operations, so as not to offend the neighbours. The cashew merchants maintain, that the burning of cashew, does not liberate any deleterious gases, and that the soot that is emanated cannot be let out through chimneys, and at present, they have been very busy devising ways and means, for ejecting the smoke without offence to anybody. It is even said that big American firms, who are dealing directly with these merchants are devoting their attention to this subject and making investigations in their laboratories. We come forward to suggest that the government may be pleased to investigate into the whole matter that is now pending between the cashew merchants and the Local Boards and consider our suggestion whether it is not possible to declare certain suitable areas in specified places, as being areas, where the cashew-factories could be established, without leaving any room for complaint by neighbours, very much in the same way as industrial areas are declared under the Town Planning Act. As to the exact way in which our suggestion can be worked out, can be considered and the details worked out, provided the government is prepared to accept our suggestion.

In conclusion we thank you for giving us this opportunity of discussing the above matters, and hope that our representations will meet with your approval and early consideration by government.

We beg to remain,

Sir,

Your most obedient servants,

(Rao Bahadur)

(Rao Bahadur)

Vice President

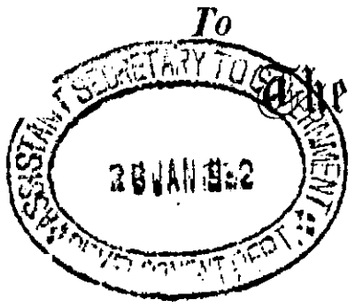
Kanara Printing Works, Mangalore.

20 Dev. 345-II
26-1-32

A MEMORANDUM

FROM

The Catholic Association of South Kanara



To

The Hon'ble Diwan Bahadur
S. Kumaraswami Reddiyar,
Minister for Education and Industries,
GOVERNMENT OF MADRAS.

Sir,

We, the members of the Catholic Association of South Kanara, beg to tender a cordial welcome to you on the occasion of your first visit to our district.

2. Our Association, registered under the Societies Act, has been working for over 16 years for the educational, social, economic, and general welfare of the Catholic Christians of this district, who number about 1,31,000 exclusive of those who are domiciled in other parts of India and abroad. During your stay in this district, you will notice that the Catholic Christian community of this district has very large interests in educational and industrial concerns and contributes largely to the welfare and prosperity of this district, making large sacrifices of money and effort. The largest Men's College and the largest Women's College on the West Coast are Catholic institutions of this district; there are besides several schools in this district in which as in our Colleges a large number of non-Catholics, as well as Catholics, receive education. In industrial concerns, our community has very large stakes. We own about 30 tile factories, as well as coffee curing and weaving factories and workshops in which arts and crafts of all descriptions are practised. We welcome this opportunity of representing to you our grievances in matters which come within your scope, and trust that with the personal study you will be able to make of the questions involved, you will be able to secure us the relief which, we venture to think, we deserve.

EDUCATION

3. We shall first deal with the question of education. Time after time we have represented to Government how our community is handicapped in the matter of facilities for the opening and maintenance of educational institutions. So far back as 1919 we represented to the then Governor during his visit to this town that while other communities might not be particular about imparting religious instructions in their schools, the Catholic community was bound to have its own schools, in which religious education is given side by side with secular education. When your predecessor in office, Dr. B. Subbarayan, visited Mangalore in 1928, we represented to him our long standing grievances in educational matters. We pointed out that

our religion required that our children should be educated in Catholic schools and that this was a sacred obligation binding on the conscience of Catholics and that it was not a mere sentimental feeling. We urged that our claim was based on the same principle as that of Muslims who are allowed their own schools and were given liberal grants. We drew attention to clauses of Canon Law which imposed on us the obligation referred to. Referring to this representation, Dr. Subbarayan said in a speech in the Legislative Council on the 26th March 1930 "*A deputation of influential Roman Catholics waited on me when I last visited Mangalore about two years ago. I then told them that if there is room for two schools in a particular place because the number of pupils are such that two schools are necessary, then Government will be willing to advise the Educational Council not only to recognise these two schools but also to aid them. If the Roman Catholic Community feel that it is not right for them to attend secular schools run by other communities, as is the case in some places in South Kanara, and there is also no need for separate schools because the number of pupils is such that they can all be taken into one school, I told the representatives of the deputation who waited on me that it should not be possible to grant them aid, because then there would not be enough money to go all round for purposes of elementary education. But, at the same time, I said I would get the Educational Councils concerned to grant them recognition so that if the community really felt that they should have separate schools they should continue to have them.*"

We are thankful that our representation was partially successful but we would point out that in view of our obligation to have our children educated in Catholic schools we are by reason of non receipt of grants for schools which have to be maintained in spite of public schools in the neighbourhood, put to double expense; we have to bear our *pro rata* share of the taxation necessitated by public schools; and we have further to contribute to the maintenance of our own schools. In the first place we contend that it is not for the State to lay down that we need not send our children to our own schools; such an attitude, we submit, interferes with the free exercise of the tenets of our religion, and is a violation of the guarantee, express or implied in every modern Constitution, that the free exercise of one's religion should not be interfered with, except when it is opposed to public order or morality. And this attitude also offends the connected guarantee, that every religious denomination should have an equitable share of Government and public funds.

Besides, even from the purely State point of view, education imparted without a religious atmosphere is not beneficial to the State. We would quote the words of Mr. Arthur Mayhew, a retired Director of Public Instruction of an Indian Province, now in England, who has made a profound study of educational matters especially those relating to India. He is a non-Catholic and his views therefore are entitled to additional weight. He says :—"*None can have expressed more often or more emphatically than I have done during the last five years the conviction that the most effective kind of education must be based on and promoted with religion. In this conviction I am at one with the Roman Catholic Church.....There is general unanimity here regarding the close and vital connection between education and religion.....I have recently returned from a Conference of Public*

School headmasters and teachers which has been anxiously and keenly debating not **whether** *but by* **what means** *religious education should be made a more integral part of public school life than it is at present.....All alike were convinced that religious education could not be isolated from other subjects taught in the school or from the general life of the school.*" The Catholic case for the education of Catholic children in Catholic schools is not a new one and has been held in all Catholic countries and at all times against all opposition. A staunch Protestant, Mr. Amasa Thornton wrote in regard to this contention in America:—"*The Catholic Church has insisted that it is its duty to educate the children of the Catholic Faith in such a way as to fix religious truths in the youthful mind. For this it has been assailed by the non-Catholic population, and Catholics have been charged with being enemies of the liberties of the people and the flag. Any careful observer in the city of New York can see that the only people, as a class, who are teaching the children in the way that will secure the future for the best civilization, are the Catholics; and although a Protestant of the firmest kind, I believe the time has come to recognize this fact, and for us all to lay aside religious prejudices and patriotically meet the question.*" In connection with the recent controversy in Northern Ireland regarding the Catholic position Mr. J. T. Gwynn, formerly of the Indian Civil Service in this Presidency, wrote "*I accept the Catholic doctrine that the parent has a natural right to give the child the kind of schooling he thinks best and that it is a function of the State to forward and not to override the wishes of the parents.*"

At the All-India Catholic Conference held at Mangalore last year, which was attended by the representatives of the clergy and laity from all parts of India it was resolved to demand that the proposed new constitution should recognise the right of the Catholic Church to establish and maintain Catholic schools without any hindrance wherever the need for such schools is found by Catholic authorities, and that Catholic schools ought to receive adequate support from public funds, so that Catholics may not have to bear the financial burden of their own schools while being at the same time made to contribute towards the support of other schools as well. And at the Bishop's Educational Conference held recently, the Catholic position which has been already explained, has been definitely stated and emphasised.

We need not say that Catholics cannot be expected to depart in the slightest degree from the position which they have firmly and uniformly held. On the other hand we feel sure that Government will not wish to go counter to the unanimous and firmly held views of the Catholic clergy and laity.

The countries in which the Catholic position has not been acquiesced in are those in which there is a traditional hostility to Catholics. And the non-acceptance of the Catholic view has led to continual friction such as is taking place now in this Presidency. In the new States formed in Europe after the Great War the Catholic position has been fully adopted and there is provision that wherever forty parents of any religious denomination require the establishment of a school for their children, the requisition should be complied vith; and various detailed rules have been

made to ensure the observance of this provision. We are thus asking for no more than what has been recognized to be sound policy in countries with up to date constitutions. We do not think that the grant of our request that not only recognition should be given to Catholic schools where there is scope for only a single school in the locality and there is already another school, but that a grant also should be given, provided the prescribed minimum of boys attend the school, will be sympathetically considered and granted. Any extra expenditure incurred by the adoption of this policy would, we submit, be amply repaid by the feeling of security in the Catholic Community, the removal of a main cause of dissatisfaction among Catholics and the absence of the continuous misunderstanding and friction which at present exists.

We would add that even the concession made by Dr. Subbarayan, has not always been acted upon and we would give, as an instance, the case of the Catholic Boys' School at Kemman, Kallianpur, which does not receive a grant, although it has about 70 boys on its rolls and appears to come within the limits fixed by him. Another instance is the Catholic Boys' school at Margoly, Basrur. We request you will call for and examine the papers regarding these schools and mete out justice; we would also ask that the President of the District Educational Council may be given clear instructions on the matters involved, and that in order to avoid friction and delay all cases of adverse orders in regard to grants may be reported by him promptly so that they may be carefully examined and revised if necessary.

We are aggrieved that last year the number of Indian Christians who were granted stipends for the course of Training in Elementary Schools was disproportionately low. We request that this year the old proportion may be maintained. We also request that in view specially of the probable diminution of stipends, the period of the course which is too long may be reduced.

INDUSTRIES

Economic depression has badly affected our industries. A large quantity of coal and coke is imported to Mangalore by sea from Bombay and from Bengal by Railway in connection with our industries. Railway freight to Mangalore is very heavy. The question of reducing it as has been done in the case of freight to some other places in the Presidency, was taken up by our Legislative Council representative, Mr. M. S. Sreshta, in the committee appointed to enquire into the prevailing Economic depression. The matter was then pursued with the Railway authorities, but so far there has been no relief. We beg that you will take up this matter in the interests of our industries, so that one of the handicaps under which they suffer may be removed. There is a very large market for tiles of the Mangalore pattern on the East Coast. But the Railway freight is so heavy that this market has not been practically tapped. A reduction of the freight will be beneficial not only to the Railway Companies by increasing traffic, but will especially at this time of depression, greatly ease the industrial position of this district. We beg that in the interests of this district as well as of those of the Presidency which will benefit by the greater flow of trade, Government will take steps to have the freight reduced.

Dev. 24 ± Dev. 419 II 30.1.32 22 Aw

CODES USED:-A. B. C. 5TH EDITION IMPROVED.
A. B. C. 6TH EDITION.

TEL. ADDRESS:-"IFPCO" MANGALORE.

Indian Food Products Co.

MANGALORE, (INDIA.)

January 27, 1932.

Dewan Bahadur T. Kumaraswami Reddiar, Avl., B.A.B.L.,

Minister for Education,

Madras,

S i r,

We beg to submit herewith for your information a copy of the application that we have made to the Director of Industries for obtaining for us the concession of manufacturing cashew nut kernels in bond, with a view to enable us to secure the raw nuts required by us for manufacturing purposes that have to be imported abroad at reasonable prices free from speculation. This is the only way in which the industry can be strengthened on a proper basis. We have also attached another memorandum containing suggestion for improving the industry as a whole. We shall be very grateful if you could only secure for us the concession of manufacturing in bond. Unless the concerns in India are sufficiently strong to hold their own in the American market the industry is likely to be in a position of great uncertainty and instability and any concession given by the Government should have for its primary object the improvement of the industry in India itself.

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23'

CODES USED:-A. B. C. 5TH EDITION IMPROVED.
A. B. C. 6TH EDITION.
TEL. ADDRESS:-"IFPCO" MANGALORE.

Indian Food Products Co.

MANGALORE, (INDIA.)

January 25, '3[illegible]

Dewan Bahadur S. Thanarswami Reddiar, Avl., B.A.B.L.

Madras.

This industry like many others is passing through very critical times. We therefore request that the relief asked for may be granted to us immediately.

We have the Honour to be,

Sir,

Your most obedient servants,

For Indian Food Products Co.,

G. S. Kamath

Partner.

J 20

January 23, 1932.

ustries,

A and M. 116/27 (R)

ernment of India have at our instance abolished imported Raw Cashew Nuts and the question of relief, as you are aware, is under consideration. re you were kind enough to go through every minute r and we feel that we must have been able to nat the continued imposition of any import duty on kely to have most disastrous effects on a nascent loying nearly 15,000 people and nothing short of an ssion of duty will help the industry. We have with a memorandum, a copy of which has been attach explaining the manner in which such remission of made to operate to the best advantage of the industry. y anxious that the intervening period between the justment of prices after the remission of duty should ecome a source of reckless speculation on the part of the orters of Raw Cashew Nuts but that the concession should diately reach the industry and be the means of strengthening ffectively. Whenever raw materials required for industrial ses are imported from foreign countries

Director of Industries, Madr

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We also enclose another memorandum explai
the concession required by the in stry for improv

we beg to remain

Sir

Your most obedient servants

Box No. 7 Pg. 11 32-5-32

N FOOD PRODUCTS CO., MANCHAUPE.

Spec. Co Pb 1-15 [illegible]

THE CASHEW NUT INDUSTRY IN INDIA. ITS POSITION.

PROSPECTS AND FACILITIES REQUIRED FOR DEVELOPMENT.

*****

The production of cashew nut kernels is an important industry on the East and West Coasts, particularly the latter, Mangalore being the centre ... manufacture. The kernels either consumed in India or exported to foreign countries chiefly America, the quantities required for either of these purposes being almost equal. Till 1925 the foreign trade was not of great importance, the maximum quantity exported not being more than a million or a million and a half pounds to Europe, America taking only about 300,000 lbs. There has been an enormous increase in the exports to America since 1925. The quantity exported last year according to the American statistical reports was five million pounds and this figure has been exceeded this year having risen to about seven million pounds. The great increase in the American trade is due to the introduction of a patented process known an the trade as "VITAPACK PROCESS" particularly great precision and care in manufacture and grading and extensive advertisement on the part of the American firms interested specially the Franklin Baker Company, subsidiary of the General Food Corporation, the largest organisation of the kind in the world, who control the Vitapack Process

Of the exports to America at least two- thirds are sent

'rom Mangalore alone, the quantity exported last year from this ›ort being about three and a half million pounds. The Indian narket takes about another one and a half million pounds. Mangalore possesses unique facilities for this industry as it nas a large number of female operatives accustomed to and trained in this business and it also produces Kanarese raw-nuts, though on a somewhat limited scale.

2. For the American market one bag of raw- nuts of 140 lbs. ;ields about 25 lbs. of packable nuts. In order to meet the present requirements of the industry both foreign and local about 2 or 3 hundreds thousand bags at least are required in Mangalore alone and if large quantities of raw-nuts could be made available the industry can be expanded much further. The produce of raw-nu in South Kanara is estimated at about 70 to 80 thousand bags and about 1½ times this quantity i.e. about 120,000 bags is produced in the adjacent parts of Malabar, Cochin and Travancore some of which is imported into Mangalore. The deficiency is made good by the importation of African nuts.

These African nuts are now chiefly collected in the Portuge territory of Mosambique. The tree seems to be widely scattered in that country, its fruit alone having been utilised until recently for the distillation of liquor. The great demand for kernels from America has ~~estimated~~ stimulated this market and while the import of raw-nuts into India, about three years ago wa scarcely more than 30 to 40 thousand bags, last year the quantity imported into India was 140,000 bags. A great deal of these however

ment of the Indian Navy-14,000 ships. A stock cost of Rs. [illegible]
[illegible] more than 30 to 40 thousand Rupees. Therefore the Ministry
[illegible] one factor at Rs.10,000 into stock, check twice before
[illegible] for the Ministry of Finance. The cost of defence
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[illegible] Inward shipments are now chiefly confined to the Ports
: Importation of African nuts.

[illegible] is located into Rs.2 crores. The Ministry is made [illegible]
[illegible] the Adjacent parts of Malabar, Coorg and Mysore area of
[illegible] three Main Industry i.e. about 25,000 tons in area-wise
a South Kanara is estimated at about 15 to 20 thousand [illegible]
[illegible] -- the total production of cashew could be estimated [illegible]
[illegible] Cashew thousand tons at least are topped [illegible] factories
[illegible] Industry have been formed in local area
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Q. What the American market [illegible] of Indian

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[illegible] Indian Industry [illegible] Government [illegible] to [illegible]
[illegible] Industry [illegible] for this Industry [illegible]
[illegible] take a fresh shape only and a half in Rs.
[illegible] about Government will soon [illegible]. The Indian
[illegible] Industry [illegible] for [illegible]

however was taken by firms having factories in Goa where the nuts are allowed to be imported duty free and advantage has been taken of this to extend the production in Goa to the detriment of British India. As the nuts have to be collected all over the country, the cost of collection is high especially where transport facilities as in Mozambique are inadequate. The African nut is not capable therefore of being sold at a high price in India, the cost of collection, the cost of transport and middlemen's profit, amounting to a large sum. It has to be bought from a great distance after being collected by the Villagers in Mozambique itself. As the price of raw nuts is determined by the price of the kernels, which depends upon the value of nuts of similar quality the consequences of an increase in price of raw-nuts due either to the imposition of duties or uneconomical methods of collection, transport, marketing etc. is a fall in the Indian demand with disastrous results to the business in India. The African nuts come to the market from December to April when the Indian crop is exhausted and thus form a natural supplement to the Indian crops.

3. The American prices of kernels have more or less remained at the same level for the past five years having reached the maximum and the tendency is downward as the high price of nuts limits its consumption while a decrease in prices will automatically increase the demand and extend the market. The best method of developing the Indian business will therefore be to

employment to the Indian crops.

April when the Indian crop is exhausted and thus form a natural

India. The African mills look to the market from December to

the Indian demand with disastrous results to the industry in

methods of collection, transport, reeling etc. It will in-

consumption due either to the imposition of duties or uneconomical

of finer quality the consequence of an increase in price of

the price of the Levants, which depends upon the value of such

transportation itself. As the price of raw materials is governed by

from a great distance after having collected by the Jagong in

ment facilities as in Lancashire are inadequate. The Asian

mills are prepared therefore of being sold at a high price in

ser's profit, amounting to a large sum. It has to be borne from

of collection in U.K. assessed by water transport

mills are allowed to be imported duty free and advantage has been

taken of this to extend the production in Asia to the detriment

of British India. As the mills have to be collected all over the

Limits the consumption while a decrease in prices will automati-

cally increase as the demand and extend the market. The best

methods of developing the Indian business will therefore be to

to reduce the price of raw nuts by increasing the supplies produced locally but there is little scope for any great increase o production of raw nuts in the near future in this manner as vast plantations have to be raised and it takes at least seven years for the tree to yield under the most favourable conditions. Liberal concessions should be offered immediately to encourage th raising of cashew nut plantations by publishing areas of land suitable for the purpose wherever available especially in the Coastal Districts and the speedy grant of the same with liberal concessions. Until these measures bear fruit every facility should be afforded for the importation of raw nuts from other countries for manufacture in India for re-exportation to U. S. A. and other foreign countries.

4. To give relief to the industry two methods are possible viz. (1) Complete remission of duty and the other remission of duty only in case of manufactured goods exported aboard. The former will benefit all classes of production both local and foreign but as the primary object of the concession is to extend the market abroad and thus increase actual production of manufactured goods in India the letter viz. remission of duty in respect of raw nuts used for manufacturing kernels and other products for export to foreign countries, is obviously better suited for developing the industry and securing Government interests in the Customs revenue at the same time. It seems therefore desirable in the first instance to try this alternative.

Export to foreign countries is most likely to be undertaken only by concerns having adequate capital and able to maintain large and suitable factories. The manufacture of kernels for the American market is a very complicated process requiring special methods of roasting, peeling, grading and packing requiring the employment of considerable numbers of both skilled and un-skilled labour. Moreover the manufacture of kernels is not the only industry possible with raw nuts. The oil has to be extracted from the shells by the use of special machinary which has been designed for the purpose and the oil itself can be utilised for many other important manufactures. For immediate relief to the industry the system of bonded warehouses seems to be most convenient. By this means of sacrifice of revenue beyond that absolutely ~~xxxxxxxxxxx~~ necessary to encourage foreign export will be eliminated and effectual predautions can be taken against the evasion of the duty. It will moreover ensure the concession being taken advantage of only by concerns able to develop the industry on a large scale and bear the expenditure of any special staff required. Under this system also the Government will get 1/8th of the duty. For further extension of the industry the use of bye-products has to be immediately introduced. The Indian Food Products Company has secured the option for the use of the machinary for extracting oil specially designed and are arranging to instal it shortly. The development of the numerous subsidiary industries is not possible unless the factory is sufficiently large and this object cannot be obtained by a mere

sufficiently large and this object cannot be obtained by a
duplication industries is not possible unless industry is
strengthened in many ways. The development of the numerous
Indian home industries must be encouraged for they are
the machinery for obtaining oil specially designed and are
not by-products not to be immediately introduced. The
\/ith of the duty. For further extension of the industry the
industry on a large scale and for the economical use of any specie
itself required. Under this system also the Government will
give every advantage of duty in undertaking to develop the
full resources as one unit. It will moreover ensure the conservation
of the eliminated and effectual precautions can be taken against
any particularly unnecessary to endanger foreign export
trade. By this means of partition of returns every effort
must be made to avoid serious economic loss to the coal con-
sumer. Moreover the manufacture of ammonia is not to be
injured. For immediate relief in the event of a coal
emergency being arising the oil fuel can be obtained for
from the ample by the use of special oil burning engines
installed for the purpose and to a limited extent for
ordinary purposes with the exception of Upon (Pillar and wrought
iron).

mere un-qualified remission of duty.

5. As regards the extent of the remission of duty required nothing but the complete removal of the duty will help the industry. As a result of manufacturing experience of several years it has been found impossible to reduce the average cost of production below four annas ~~xx~~ a pound according to the American requirements. Taking the prices of different grades of wholes and pieces as prevailing from time to time into account as the average price per pound is about 9 to 10 annas a pound for wholes and 4 to 5 annas a pound for pieces. The cost of raw nuts when shelled should not therefore exceed 4 to 5 annas a pound and as on the whole we get only 25 lbs. packable nuts per bag, on the average the cost of raw nuts should not exceed Rs.7/- a bag of 140 lbs. delivered at Mangalore. Making allowance for fluctuation of prices due to speculation, and other causes the average value of the nuts has remained at this figure, for the past three years in spite of the increased demand for kernels. As collection transport and other charges are heavy in Africa and the African nut being too dry yield a small percentage of wholes it cannot be sold in India at a profit unless at a price at least 25 per cent below that of the Indian nuts. Thus if any duty has to be paid the price will be raised in such a way as either to affect the Indian demand or not to leave sufficient margin of profit for the African nuts and in this way diminish the supply of raw nuts. The position created by the facilities offered in certain parts of India such as Goa to import these

were un-ratified remission of duty.

5. As regards the extent of the remission of duty required nothing but the complete removal of the duty will help the industry. As a result of manufacturing experience of several years it has been found impossible to reduce the average cost of production below four annas a pound according to the American requirements. Taking the prices of different grades of whites and pieces as prevailing from time to time into account an average price per pound is about 9 to 11 annas a pound for [illegible] and 4 to 5 annas a pound for pieces. The cost of [illegible] should not therefore exceed 2 to 3 annas a pound [illegible] in the whole we get only 20 [illegible] marketable nuts per [illegible] average the cost of raw nuts should not exceed [illegible] shortages [illegible] fluctuation of prices due to speculation, and other causes the average price of [illegible] has remained at a high figure, for [illegible] years in spite of the increased [illegible] for kernels. The collection charges and other charges are heavy in Africa and the African nut being too dry yield a small percentage of wholes. It cannot be sold in India at a profit unless at a price at least [illegible] below that of the Indian nuts. Thus if any duty has to be paid the price will be raised in such a way as either to affect the Indian demand or not to leave a sufficient margin of profit for the African nuts and this may diminish the supply of raw nuts. The position created by the tariff [illegible] altered [illegible] imports of nuts such as Goa [illegible]

articles free of duty cannot be overlooked in this connection. The imposition of duty in India will result eventually in the diversion of the business to Goa and the restriction in the British Indian production. In fact Goa offers the best scope at present both for the development of the industry on a large scale and the promotion of subsidiary indusries. Owing to this fact three large factories have come into existence during the past two years and they are continuously extending their production, owing to this adventitious advantage.

The increase of employment in the Coastal areas is a probl of the greatest importance. In Mangalore for instance owing t the fall in the price of coffee the number of people directly or indirectly employed in this business show a tendency to decrease. A similar effect is perceptible in other export business such as cardamons, pepper etc. The tile industry is in a precarious condition. Any business that can stand the existing depression and is capable of expansion deserves therefore speci consideration. The cashew nut factories in Mangalore employ nearly about 5000 people in this industry. An equal number carry it as a cottage industry throughout the District; but owen a large portion of such production is taken by exporters abroad. There is sufficient labour available in Mangalore to permit of an immediate doubling of production and every measure calculate to increase the supply of raw nuts helps towards this end. Facilities given for increased import of raw nuts will not affect the price of raw nuts which is determined as already

tion of duty cannot be explained in this connexion
ditions of duty in India will result eventually in the
cessation of the business to you and the restriction in the
British Indian production. In fact Sir Ebrahim Currimbhoy
at present both for the development of the industry as a
whole and the promotion of subsidiary enterprises. Prior to the
past two years and they are continuously extending their pro-
tion, owing to this advantage.

The increase of employment in the Coastal areas is a
ore prominent importance. In Bangalore for instance
the fall in the price of coffee the number of people directly
or indirectly employed in this business show a tendency to de-
crease. A similar effect is perceptible in other export busi-
ness such as cardamoms, pepper etc. The silk industry is in a
precarious condition. Any business that can afford the extra
expenses and is capable of expansion deserves to receive
consideration. The capital put together in Bangalore
nearly about 5000 people in this industry. In spite of
every it has a cottage industry throughout the district but
owns a large portion of such production is transported
through. There is sufficient labour available in Bangalore
result of an immediate doubling of production and every means
calculated to increase the supply of raw silk should be
and. Facilities given for increased import of raw silk
affect the price of raw silk, is determined as already

stated by conditions of the world market for nuts and the demand so long as the price of the kernel could be kept up within these limits being incapable of unlimited ~~in~~ expansion there is no reason to apprehend any injurious competition so far as the Indian production and the price of raw nut is concerned. By granting the concession of exemption from duty only to large factories able to manufacture in bond thereis no likelihood of any unfair preferance on this discrimination, for the demand for local nuts will be reduced to the extent to which their place is taken by foreign nuts thus enabling all persons engaged in this industry to get adequate supply at reasonable prices. Owing to the scarcity of labour in Africa and also the special aptitude and experience required for this industry there is little likelihood of factories being stated in Africa, to deal with the production and India will continue for a long time to be the outlet for cashew nuts produced in Africa.

At present the development of this industry has been primarily due to the American efforts, working ~~in~~ in close co-operation with the Indian producer and the research and experiments carried on by the Americans. Having regard to the great possibilities of this industry Government assistance is urgently needed on the one side, to increase production of raw nuts in India, on the other for extensive research into the numerous industrial possibilities of this important product.

INDIAN FOOD PRODUCTS COMPANY
OF MANGALORE.

ighan---------possibilities of this important product.

pic--- on the---- ---- ---- to increase production of raw nuts in
ocused on the--- --- ---- possibility of mutually advantageous
possibilities of this industry deserve most careful study in
rtions entered on by the Americans. Another figured on the
operation with the Indian producer and the research and experi-
rticularly due to its unexplored difficulties, working in the
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It appears the manufacturers of the industry are
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B

Encl no 351/II/32-2 of 1.2.32

Extracts from the representation received from the Kendris noted in the margin are forwarded to the Dist of Dehradun for (X) Regr of Co-op Societies remarks.

(1) from the Indian Red Cross Co dated 19.1.32 (pages 1-15, omitting pages 11 & 12)

(2) from the District Advancement Assn dated 23.1.32 (pp 16-19, omitting pages 2-4, 6 and 9)

(3) from the Catholic Assn of S. Kanara dated 23.1.32 (pages 20-25 omitting pages 2-3, 6, and 8)

(4) from the Indian Red Cross Co dated 19.1.32 (pp 1-10 and page 12)

RC
1.2.32

To

The Dist of Dehradun } with Regr's
Regr of Co-op Societies } remarks dtd 1.2.32
in original
to be sent
with reply.

DA.
30.1.32

Secy to Govt

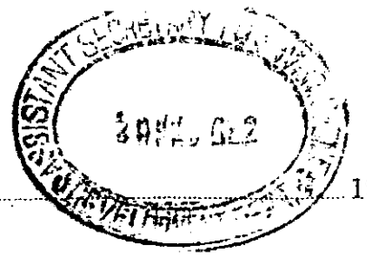
30

Dev. 690-II

22-2-32

C.F. 30

DEPARTMENT.



Received ..... 19 . *Registered* 19

Subject.

Industries - Cashewnut Industry - Assistance to -

ENCLOSURES.

No. .....

.....

Spare copies .....

No. 44-A/32.

Station Madras , *Dated the* 14th February 1932.

From (Name) V.Ramakrishna Esq., I.C.S.,

(Designation) Director of Industries,

To The Secretary to the Government of Madras,

Development Department.

Sir,

118-97

Rev. — (M)

19-1-32

Ref: My letter No.2076-A/31 dated 14th December 1931 and Government Endorsement No.351-II/32-2 dated 1st February 1932.

----- p.29 supra

In paragraph 4 of my letter referred to above, I promised to submit a further report on the above subject after personal investigation in Mangalore. I visited the West Coast last month and went into the question in great detail with the important firms exporting cashew kernels as well as with the District Advancement Association. I have also been supplied with a copy of the representation of the Indian Food Products Co,.

2. So far as I can gather from enquiries made, there is no doubt that the cashewnut industry requires a certain

amount of relief in regard to the import duty on cashewnuts and also other facilities e.g. in regard to the extension of cultivation of the nut, research aimed at recovery of bye-products and other uses of the nuts etc,.

3. Talking the question of duty first, I endorse the views of the Director in charge as given in his letter No.784-A/31 dated 14th August 1931. The grounds on which its removal has been urged are, firstly the insufficiency of local supplies of cashewnuts, secondly, the employment which the industry offers to a large number of people and thirdly, the disadvantageous position in which the Indian manufacturers are placed/with their competitors in Portugese India.

4. The production of raw nuts in South Kanara is estimated at about 70 to 80 thousand bags and an equal quantity is produced in the adjacent parts of Malabar, Cochin and Travancore, some of which is imported into Mangalore. The present requirements of the industry in Mangalore are stated to be about 200 to 300 thousand bags and the deficiency is made good by the importation of African nuts which are estimated this year at 120 thousand bags of 1½ cwts each. The African nuts are now chiefly collected in the Portugese territory of Mozambique, but owing to the high cost of collection there, they are not capable of being sold at a very high price in India. The African nuts come into the Mangalore market from December to April i.e. when the Indian crop gets exhausted and thus serve to keep the factories going throughout the year. As even if immediate arrangements are made to raise plantations, it will take at least seven years for the tree to give a fair yield under the most favourable conditions, it is only fair that there should be no impediment placed on the import of the raw cashewnut until such time as the supplies produced locally are increased to the extent necessary.

About 11 persons, mostly women, are required to convert a bag of cashewnuts into kernels and pack them ready for export, the number of workers engaged in the industry is, I may point out, fairly large. In this connection it may be mentioned that only 60%

of the total cost of cashew kernels is represented by the cost of raw nuts, the remaining 40% being represented by labour charges and cost of packing etc. The profits to the Indian merchants and manufacturers, the wages to the labourers and transport charges, come to Rs.6/- per bag of 1½ cwts., and if this year's total crop of Mozambique estimated at 120,000 bags, is imported into British India and the nuts converted into the finished product and exported to foreign countries, the income to the people of this country on this account alone works out to about Rs.720,000. The importance of this industry to Mangalore will be seen from the total exports of cashew kernels from Mangalore for the past 11 years furnished below:-

	Cwts.
1921	10,560
1922	10,637
1923	8,735
1924	9,586
1925	16,671
1926	13,533
1927	19,546
1928	26,063
1929	26,432
1930	30,733
1931	37,663

The above figures do not, however, represent the total production of cashew kernels in Mangalore, since, during the South West monsoon when the port of Mangalore is closed, a considerable quantity of cashew kernels are railed to Cochin and to some other ports for shipment. To arrive at the total production in Mangalore we may probably require to add 25% to the figures given but it would not be safe to do this for any year prior to 1929, i.e. there has been a very rapid increase in the amount railed to Cochin during the past three years only and prior to that the trade was practically unknown.

6. The exporters have also urged that the American prices which have remained practically stationery during the last 5 y have reached the maximum limit and that the tendency is now down ward. If this is the case, unless it is possible to bring abou a reduction in price by the removal of the duty, the American demand may contract and cease to absorb the total production of the country. Further if the existing import duty is retained the business as pointed out in this office letter of 14th August 1931, is likely to be diverted to Goa and French territories where no import duty is levied and it is mainly on this ground that the exporters in Mangalore are objecting to the present duty.

7. It is, therefore essential, to urge on the Government of India the necessity for the removal of the import duty Relief to the industry could be afforded either by a complete removal of the duty or remission of the duty only in case of manufactured goods which are exported abroad. The former will, no doubt, benefit ~~procedure~~ producers both for local and foreign markets but as the primary object of the concession should be to build up an extensive market abroad and thus increase production of manufactured goods in India, remission of duty only in respect of raw nuts used for manufacturing kernels and other products for export to foreign countries seems as pointed out by the Indian Food Products Company, better suited both for developing the industry and securing Government interests. Such a step will also prevent speculation and might I think be tried for a time and if found workable, continued. This question of manufacture in bond has been fully dealt with in the note submitted by the Indian Food Products Company and I need not labour the point further. Suffice it to say that the system advocated by the firm will while safeguarding Government revenue also be equally advantageous to the foreign exporter of kernels and will not also unduly tax the local consumer. As a result of such a measure prices also will become steadier owing to the restricted scope offered for speculation.

8. In the circumstances I ~~suggest~~ request that the concessi of manufacturing in bond may be recommended for the favoura consideration of the Government of India, on condition that the industry is prepared to abide by all the regulations that may be imposed by Government and also to meet the cost of any establishment required therefor. The system of man facture in bond is I understand, already in operation in various parts of India in the case of manufactures involvi the use of tobacco, sugar, molasses, salt, etc. As the question of granting further ef in respect of nuts reexported after manufacture is now under the consideration of the Government of India - vide Government of India's letter dated 12th January 1932 forwarded with G.O.No.Mis. 118, Development dated the 27th January 1932, I submit that the matter may be taken up with the Government of India at an early date.

9. As regards the other points raised in the papers furnished by Government, the demand from foreign countries is likely to increase in the near future provided prices are favourable and it seems advisable to take steps to increase the production of nuts in the country itself and not depend on foreign countries for our supply. The cashewnut tree grows wild in the districts of South Kanara and Malabar. Some of the local people are anxious to raise plantations if the Government are prepared to lease out to them waste lands unfit for other crops. I have already asked the Collector of South Kanara to furnish me with a list of waste lands available for assignment and shall take up the matter further with the Land Revenue Commissioner. I have also arranged in consultation with the Director of Agriculture for the selection by the Oil Seed Specialist of the best varieties of cashewnuts with a view to introducing the cultivation of the nuts in parts where it is not grown and extending cultivation in parts where it is already grown. I shall take steps in cooperation with the Agricultural Department to popularise the

the cultivation of cashewnuts in such areas as may be found suitable.

10. I have also asked the Manager, [illegible] Products Company to send samples of oil extracted from cashewnut kernels to the Superintendent, Industrial Institute, Madras, and the Superintendent, Kerala Soap Institute, Calicut, with a view to experimenting with the oil in the manufacture of paints and insecticidal soaps and resins such as bakalite. I have also asked him to send a bag of skins and factory waste to the Agricultural Chemist, Coimbatore in order to find out the value of the former as a feeding stuff for poultry, pigs and cattle, and the manurial value of the latter and [illegible] the chemist to conduct the necessary experiments and communicate the results to me. The question of combating the fungus and other diseases of cashew trees now prevalent on the west coast has also been taken up and the Director of Agriculture has instructed the Mycologist and Entomologist to take immediate steps to study the nature of the [illegible] and render the necessary assistance to the people.

11. The other points raised are in some cases matters of detail while some are of a vague and general character. I am, however, asking the Indian Food Products Company to furnish me with more particulars on the points raised by them and shall deal with them in cooperation with any departments whose assistance may be required.

for Director of Industries.

15-12

Dec. 24

Letter No. 357 II/32.3 dt 7.3.32

To

The Secy to the Govt of India
Dept of Commerce

Subject: Import duty on Cashew nuts.

Sir,

With reference to the correspondence ending with Mr Corley Smith's letter No 741 T(1) dated 12.1.1932, I am directed to forward for the consideration of the Govt of India copy of a representation received from the Indian Chamber of Commerce Madras & Mangalore dated 18/1.1 on the above subject, and a copy of a letter from the Dist of Malabar No 4441 dated 14.2.32 containing his remarks thereon. I am directed to request the recommendation already made to the Govt of India in this Dept. Letter No. 2261-T(31-27) dated 28.9.1931 for the removal of the existing duty of 20 p.c on Cashew nuts; and the proposal made by the Company for remission of duty on re-exported Kernels manufactured in bonded warehouses

or in the alternative, to recommend for the consideration of H.E. the Governor in Council the grant of remission of duty on re-exported Kernels manufactured in bonded warehouses.

I am, Sir,
Your most obedient servant,

Sd/- [illegible]
Secretary to the Govt of Madras
Revenue (Salt & Abkari) Department

Dept with Encls.
7/3/32

W/ copy of M.P.I-W dt
& M.P. 30-34 dt (as noted)

Please show before dispatch.

See letter

W/D with encl dd 10/3

M.P. Corr II: Dec (R) 22.1.32

M.P.I-W dt 34 dt

(copies of Dist Collector's letter and enclosures 9, 10 and 11)

Desire

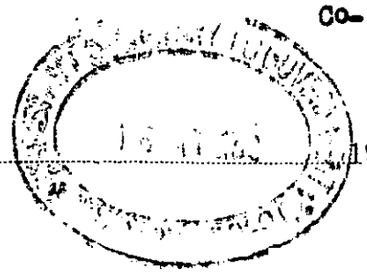
M.P. 3.14 gl. dt (R)

35

Dev. 1064-II
16-3-32

C.F. 30.

Co-operative DEPARTMENT.



Received ..... 19 . *Registered* 19

ect.

Cashew nut growers - Organization of society. .

Enclosures.
No. ...
...
Spare copies ...

No. C 730/32

Station Madras, *Dated the* 15th March 1932.

From (Name) D.N. Strathie Esq., I.C.S.,

(Designation) Registrar of Co-operative Societies, Madras.

To The Secretary to the Government of Madras,

DEVELOPMENT Department.

Sir,

Ref: Government endorsement No. 351 II/32-2 dated 1st Feb. 1932.

With this endorsement, the Government forwarded for my remarks, a letter from the Indian Food Products Co., Mangalore, requesting Government to grant areas for plantations of cashew nuts with liberal concessions and to remit the import duty on cashew nut. There was also forwarded an extract from some other report or office note suggesting that the possibilities of helping

the business by means of co-operative societies should be investigated.

2. I enclose extracts from the report of the Deputy Registrar, Mangalore. It will, I think, be clear from this report, which I consider accurate, that co-operative societies cannot be expected to do anything in the matter. They certainly will not check the tendency to mix the immature and spoiled nuts. This tendency will correct itself in time, when producers realise that they will not get such good prices for adulterated articles.

I have the honour to be,
Sir,
Your most obedient servant,

pRs 15-2 a

Registrar.

Extracts from the Deputy Registrar's report.

The cashew n roughout the district. I have not known of any landholder having interested himself in the cultivation of this tree on any extensive scale though there is great scope for raising plantations of these trees just like the coffee and tea plantations. The tree does not require any great care or manuring and no expenditure on any large scale is required for raising these plantations. Our landowners have been content to lease their lands and have not paid any attention to the improvement of the holdings. The tenants get the lands on annual lease and have no permanent interest in the land to make any improvements. This system of cultivation through tenants

is responsible for a great deal of stagnation in agriculture. This system also presents an insurmountable difficulty in the way of organizing the producers into a society for improving the agricultural methods or for forming an organization for the purpose of marketing the produce. The landlord who leases the lands on a fixed rent, has no interest in increasing the produce and the tenant who is likely to be ousted at the end of the year of his tenancy has no incentive to invest anything on the land for improving it. Their interests are divergent and cannot be harmonised for the mutual good.

The by-laws of our credit societies contain provisions enabling the societies to undertake any joint sale of members' produce. But the system of joint sale has not been worked to any appreciable extent even in a single society, notwithstanding the fact that the advantages of such a system have been incessantly and repeatedly impressed by me on the members on every possible occasion. The reason is that we have not found among the panchayat of credit societies, the proper t ype of men willing and able to educate the members in the true principles of co-operation and helping them to realise the ideal. The office of a panchayatdar is coveted more as a means of securing power and for patronage than for the opportunity it gives for rendering service to the members. The Panchayatdars have failed in several cases to discharge their duties properly and the supervising unions have not been able to rectify the defects in many a bad society. The increase of overdues in credit societies with the increasing number of cases of mismanagement brought to notice distinctly points to the fact that our members are not sufficiently educated to take an intelligent interest in the working of credit societies and the harm caused in consequence and as a result of mismanagement is already scaring away many a good person from associating himself with the affairs of co-operative societies. The difficulties therefore of organizing a society for the whole district for the

purpose of collecting the cashewnut produce of the members and for manufacturing it into a marketable article are so great tha I think it is impossible to attempt it until confidence is restored in the movement by first of all liquidating the bad societies and working the few good societies on sound lines.

3/ We have had bitter experience in this District of organizin a number of non-credit societies. All the activities in this direction resulted in miserable failure.

4/ The Fish Guano Industry in Mangalore was prosperous for a time. The exporting firms were making much profit. A society was organized for the Factory Owners. From the very start, the society was found not working satisfactorily. Owing to keen competition with well-established firms exporting fish guano and fish oil and also the fluctuation in prices, the society was not able to make satisfactory progress. The Board of Management became indifferent and looked more to their private interest than to the common welfare of the society. Attempts made to revive the society by placing it under the direct super vision of the co-operative union assisted by a co-operative Inspector proved unsuccessful. The registration of the society was cancelled in Registrar's proceedings No.F 1547/27 dated 5-5-2

5/ The South Kanara Garden Planters' Co-operative Wholesale Society was organized for the arecanut growers to enable them to obtain favourable prices for their produce. The Directors conducted the affairs in a most irresponsible way drawing advances without pledging produce, and granting loans indiscri minately. The funds were also misappropriated. The result wa that the society had to be liquidated with a very heavy liability to the Central Bank of Rs.64,309-1-0. The Central Bank dues have not yet been cleared. This society instead of being a source of help and strength to the members has been the cau of ruining many of the agriculturists in the Vittal Union area. The litigation arising out of it has been a source of further ruin

to the members. The society was liquidated in Registrar's proceedings No.F 5566/28 dated 12-11-28. The liquidation of the Garden Planters' Society resulted in repercussions on the credit societies in the Vittal Union area. The members of these credit societies were also members of the Garden Planters' society. They were involved in irredeemable debt to the Garden Planters' society and the credit societies became dormant. The Vittal Union ceased to function and has been liquidated. Unlike the producers of cashew nuts, the arecanut growers were mostly cultivating landowners. They were noted for the care with which they reared their gardens and this fact has been prominently noticed in the South Kanara District Gazetteer. They were hard-working, industrious, economical and prosperous. The cheap credit placed at their disposal by the society was a source of temptation to them to borrow beyond their capacity to repay and to indulge in luxuries which they were not previously accustomed to. They are now paying the penalty for their indiscretion. They were an intelligent set of people, unlike the ordinary tenant class who are steeped in ignorance and the debt. Inspite of all the good qualities they possessed and the opportunity they had of improving their economic condition by mutual help and organisation for the common benefit, the society could not be successfully worked. It must be confessed that the failure of the society was due to want of proper human material and lack of sustained effort on the part of non-official workers. We have got very few workers in the cause who have devoted their whole heart and put their back into the work. Assistance and guidance offered in moments of leisure by a few enthusiasts who have not the time nor patience to put forth continuous effort cannot help forward the movement. The failure of the Garden Planters' Society is a bitter lesson that has to be borne in mind in organising fresh societies of the kind.

6/ The Sadananda Co-operative Printing Works started with the object of promoting the economic interests of the members met with a similar fate. Sufficient encouragement was not given to the Press by the Co-operative Institutions for whose benefit the Press was intended. Misunderstandings arose among the Directors who ceased to exercise effective control over the business. No attempt was made to collect the outstandings promptly with the result that some of the debts became bad. Lavish establishment, purchasing of stock in excess of requirements, canvassing work at competitive rates, and heavy interest paid on borrowings,-all these factors resulted in a heavy loss and the Press had to be liquidated with a liability of Rs. 16,824 to the Central Bank and Rs.7,381 to depositors -- vide Registrar's proceedings No.F 1276/30 dated 30-11-30. The Central Bank stands to lose a good deal in this connection. The Directorate consisted of intelligent men of light and learning, who however could hardly find the time necessary to devote such attention to all the details as to make the working a success.

7/ Indifference of the Directors and their failure to supervise the affairs properly was the cause of loss sustained by the South Kanara Central Co-operative Wholesale Society, Ld., whose registration was cancelled in Registrar's proceedings No.F 3389/31 dated 3-7-31. This was a society where members were producers, bunts, landowning class.

8/ The fate of the Labour Unions at Puttur, Mangalore, Kasaragod, Karkal, Udipi and Coondapoor, for the benefit of the labourers, was similar. All these had to be liquidated either on account of mismanagement or indifference of the members and Directors. The works executed were not satisfactory and Local Boards refrained from giving works on contracts to the Unions -- vide Registrar's Nos. F877/30 dated 28-2-30, F.No. 2654/26 dated 17-3-28, F.No. 4695/30 dated 13-8-30, F.No. 3829/30 dated 3-7-30, FNo. 4391/30 dated 24-7-30 and F 2197/30 dated 23-4-30.

9. The Baglody Match Works registered in 1926 did not work beyond collection of a small amount of share capital, Rs.245, which was hardly adequate to run a match factory. There was neither capital forthcoming nor was the society in a position to pay for expert business knowledge and it had to be liquidated -- vide Registrar's F.No.3828/31 dated 24-7-31.

10. The Pallikere Tobacco Growers' society was organised with a view to help the Tobacco Growers to get the necessary finance for cultivation and to enable them to get a proper price for their produce. The members failed to repay their loans punctually and the panchayatdars mismanaged the society and the society was liquidated in Registrar's F.No.464/31/30-8-31.

11. The Mudabidri Loan and Sale society did not do any work and had to be liquidated -- vide Registrar's F 5983/30/10-10-30.

12. There was no effort wanting in this district to organise societies with a view to help the producers to get better prices. But want of loyalty on the part of the producers and paucity of workers, capable of managing the business with sufficient business knowledge and experience who could devote proper attention to the work undertaken by them have been the main obstacles in the way of successful working of the societies. With such experience of the failure of several non-credit societies it is impossible to contemplate organising a society for the cashew nut producers. As I have already said, these are mostly tenant classes who are steeped in ignorance and debt, who have not the security of tenure and are only trying to make the best out of their temporary lease. It is impossible to collect the share capital necessary for a factory to be started on behalf of such producers. I have ascertained that not less than Rs.30,000 would be required as initial capital for such a factory. Working on borrowed capital would ruin the society as well as the financing bank and therefore cannot be thought of. Besides the produce in the district is only 1/3 of what is exported. Even out of the 1/3, the society in the initial stages cannot

hope to collect even 10% of the produce and the factory cannot hope to supply the American market continuously. If the factory should successfully work in competition with the existing manufacturers it must arrange to supply the market throughout the year. For this purpose it has not only to make forward contracts for sale, but it must also import raw nuts from outside the district to give continuous labour to the factory hands. Importing of raw nuts is not part of the business of a producers' society. The process of roasting and peeling, if undertaken as a cottage industry by the members, is not likely to give as satisfactory results as are achieved by the factory in a central place under expert management. Further, the competition with the existing manufacturers is likely to cause loss to the society. The members will be tempted by the middlemen to desert the society, after obtaining advances from the society. The ryots at present are getting really better prices on account of the competition of the middlemen to purchase the limited quantity of produce in the district and therefore the need for a society is also not felt. It is not possible to get from the producers the right type of men who can attend to the work of the society and manage it as efficiently as is done by the exporting firms. Further, the task of collecting the produce will probably cost the society more than what is actually taken as profits by the middlemen for the same service. I submit that it is not possible to organize a society for the cashew nut growers at present. I shall endeavour to educate the ryots in the possibilities of growing cashew nuts with advantage on a larger scale and also of the need for them to see that the nuts are not gathered before they mature. It may be left to the producers to realise the need for an association and when that is felt and expressed through non-official support, the question of organizing a society may be considered.

Dev. Dept.

46

C/13, 351/Z
382/Z
Subjects

Representations submitted by persons
Bodies to the Hon'ble the Minister for Revenue
and Excise during his visit to Mangalore

Mp 1-15 Cl2

From the Indian Iron & Steel Co
Mangalore dated 19.1.32.

Mp 16-19 Cl2

From the District Advancement Ass:
Mangalore dated 25.1.32

Mp 20-25 Cl2.

From the Catholic Ass: of S. Kanara
dated 25.1.32.

To Annl Dept.

re Memorials from the representatives from
Mangalore to
Indian Iron & Steel Co, at pages 1-15 Cf,
that from the District Advancement Ass:,
Kanara at pages 16-19 Cl2 and the Memorandum from
the Catholic Ass: of S. Kanara at pages 20-25 Cl2

2 The requests of these bodies with which
the Departments of the Secretariat are
concerned are shown below:-

(a) (1) Para 9 (Mp 13-15 Cl2) of the representation from the Indian Iron & Steel Co — Increase of Local Production of Cashew nuts. } Revenue Dept.

(2) Para 6 (Mp 18 Cl2) of the petition from the District Advancement Ass:, S. Kanara — Increasing the cultivation of Cashew nuts in the District.

(3) Para 6 (Mp 24 Cl2) of the memorandum of the Catholic Ass: of S. Kanara — Extension of Cashew cultivation

pp 13-14 Cf

(4) Para 11 of the representation from the Ladies Land Branch [illegible] Revenue Dept

Distillation of liquor from Cashew fruit

(5) Para 8 of the memorandum from the Catholic Assn of S. Kanara requesting the grant of arrack rents in the taluks and establishment of a distillery for the manufacture of arrack from Cashew fruit &c. [illegible] Revenue Dept

Finance Dept

pp 1-2 Cf

(6) Para 9 of the representation from the District Advancement Assn, Mangalore - Revenue Dept

- Declaration by the Local Boards of suitable areas, as suggested above, for the establishment of Cashew and Coconut plantations

pp 20-23 Cf

(7) Paras 2 and 3 of the memorandum from the Catholic Assn of S. Kanara - Grant of land for the opening and maintenance of an educational institution for the Roman Catholic community

The other requests made by the Assn relate to this Dept. The remarks of the Dir of Industries and Registrar of Co-operative Societies and the Director of Agriculture may be invited on them.

It is submitted that relevant extracts may be furnished to this Dept for information and such action as may be considered necessary.

Extracts need be sent to Revenue & Education Depts only

RR 1.2.32

S.R. 30.1.32

Yes 2.32

Mr Ramchandran told me he was talking action on the suggestions in these representations, viz., remission of export duty on African cashew nuts re-exported from India, the extension of ~~cultivation of~~ cashew nut plantation investigation of diseases, utilization of the products of the new growing trees, etc.

There are various other suggestions made which require consideration. The DI may be addressed. ~~Draft~~ draft is for approval.

DI was present when these views were made to him.
DK
1/2/32

RC
1.2.32

S

SL
2.2.32

P 29 CF. [Endt. No. 351 II/32-2 dt. 1.2.32.]

PP 30-35 CF. Corr. Dep II. from the DI, No. 44 A/32 dt. 1.2.32.

To Asstt Secy.

This file relates to the representations of the Indian Food Products Co., Mangalore, asking for certain concessions to enable them to improve the cashew nut industry. The several concessions with

with which this department is concerned, viz. (1) Encouragement of cashew cultivation by publishing a list of the lands which are suitable for the growth of cashew nut, especially in the Coastal districts, and by offering technical advice, supply of good seeds, grafts of trees in suitable forests to be planted; — A at p. 4 CF.

(2) Complete remission of import duty or if this is not possible, remission only in case of manufactured goods which are exported abroad; — B at p. 4 CF.

(3) manufacture of kernels in bond; — A at p. 5 CF.

(4) conduct of research into the potentialities of cashew nut industry; — A at p. 10 CF.

(5) Collection of statistics of imports of cashew nuts and export of kernels; — para 14, p. 15 CF.

(6) Reduction of railway and steamer freights. — para 15, p. 15 CF.

Items (1) and (2) the

A at pp 3 of C.F.

concessions are urged on the ground that cashew nuts from Africa imported into Goa and certain other places are free of duty while they are subject to duty when imported into British India and that in consequence importers in British India are placed in a disadvantageous position as compared with importers in Goa &c. In paras 3 to 7 of his letter at pages 31-33 C.F. the Director of Industries supports the request for the removal of the import duty. He is of opinion that duty may be remitted in respect of raw nuts used for manufacturing kernels for export to foreign countries and supports the suggestion for manufacture in bond. It is submitted that the Director's recommendation may be accepted. The Govt. of India have already been addressed in regard to these

A at p 33 C.F.

Z at p 34 C.F.

L.r at pp 13-14 Z
Memo 11E 01 29.12.26

exemption of nuts from duty and that Govt. have stated that the matter is under their consideration & G.O. for orders whether extracts from the Director's letter may be sent to the Govt. of India and our former recommendation reiterated. The suggestion to manufacture the Kernels in bond may also be commented on them. ..... | at p. 16 of file 8 of 27.1.32 (E)

3. In para 9 of his letter the Director reports the action taken by him, in consultation with other officers, in respect of the other requests of the Committee in regard to the following matters:- | pp 34-35 CF

(1) Investigation in regard to the waste lands available for assignment for cashew nut cultivation; | A at p. 34 CF

(2) Selection of good seeds of cashew nuts; ..... | B at p. 34 CF

(3) Popularisation of cashew nut cultivation; | C at pp 34-35 CF

(4) Research on the | D & E at p. 35 CF

products of cashew nuts & ascertain their utility and value;

I ad p. 35 CF (5) combating diseases affecting cashew nut crop.

Gad p. 35 CF The Director has also addressed the Co. asking for clear information in regard to their other requests. We will Doubtless address Govt. after hearing from them. A further communication from him may be awaited.

4. The Director has not said

A ad pp 12-13 CF anything about the suggestion that cashew nut may be grown in forests. For orders whether the ~~Dir~~ C.C.F. may be asked to report on the suggestion.

5. The Registrar of Co-

Govt at p. 29 CF operative Societies was asked to

D para 12 at p. 14 CF report on the suggestion that Cooperative Societies may be organised with a view to deal with malpractices that now take place in regard to the

adulteration of immature and sprout-nuts with good nuts.
This report has not yet been received & may be awaited.

(This note adds nothing to what is contained in the cf. except that India are to be addressed re import duty. No excuse for keeping this back two days beyond the)

Leith 3.32

RC 2.3.32

SWR 2/3

Please see pp. 1–10 & 30–35 cf.
We may first reiterate the proposal already made in the J.I. for the removal of the duty & 20% on cashew-nuts, and add (as a probably more acceptable alternative) the proposal for import in bond.
No other points can be taken up afterwards.

SWR 2/3

pp. Pr. 2.3.32

G 4 RC 2/3

M 2 PM. 2.3.32

SWR 4/3

To A.S.

Draft letter to the Govt of India is submitted for approval.

S.A. 4.3.32.

RC 5/3/32

SWR 7/3

WR

54

[Encl: as letter No 351 II/32.3 dated 7.3.32]
[From the Regr: of Co-operative Societies
No C.780/32 dated 15.3.32]

A.S.

Please see the Registrar's letter at pages 38-39 C/F, forwarding extracts from the Deputy Registrar's report, C/F 39-45 C/F. In para 12 of his report, C/F 44-45 C/F the Dy Regr: has stated the reasons why it is not possible to organise Co-operative Societies for the Cashew nut growers at present. The Regr: agrees with him that Co-operative Societies cannot be expected to do anything in the matter and that they will not check the tendency to mix the immature and spoiled nuts. In the circumstances it is submitted that nothing perhaps can be done.

16.3.32 The papers may be recorded

19.3.32

19.3.32

16/3

Scott. II-5 (a)

17/3/32

	Date.	Initials
When received for Fair-copying		
When copied ..		
When examined ..		
When signed ..		
When despatched ..		

55

Dev. DEPARTMENT.

Lawrence. Cashew nut industry. Assistance to. Papers needed.

READ AGAIN G.O. No. ....., dated 19

" " " " 19

READ ALSO:-

C. No. 3512, From the Papers with this ....., dated 19

" " ..... " " ..... " ..... " 19

" " ..... " " ..... " ..... " 19

ORDER.

No 424, dated 22/3/32 19.

Ms.

Returned.

R.R
19-3-32

J.H.S
19.3.32

No. 741-T(1).

GOVERNMENT OF INDIA.

Des. 1289-II
9-4-32

DEPARTMENT OF COMMERCE.

From Delhi, the 4th April 1932.

C. Corley Smith, Esquire,

C.I.E., Assistant Secretary to the Government of India,

To

The Secretary to the Government of Madras,

Development Department.

Subject:- Import duty on Cashew nuts.

Sir,

With reference to your letter No.301, dated the 7th March 1932, on the above subject, I am directed to say that the matter is still engaging the attention of the Government of India and that a further communication will be made to the Local Government as soon as a decision has been arrived at.

I have the honour to be,

Sir,

Your most obedient servant,

C. Corley Smith

C.I.E., Assistant Secretary to the Government of India.

S

for Secretary

RR
9.4.32

Rev. (1932) Department.

SERIES.

G.O. No. 426

426

DATED 22.2.32

[Despatch Abstract.]

Assignment - Land (South Kanara) - Karkal Taluk - Nosapattu Village- S.No.65/4-a--Parsn Union of the Diocese of Mangalore Sanctioned.

G.F.31

Revenue **DEPARTMENT.**

CURRENT No. 5121-F 7/32 18/2

Received ..... 19 . . *Registered* 18232 19

Subject.

Assignment.- Land -(South Kanara)- Karkal taluk- Hosabettu village- S.No.63/4A - Parish Union of the Diocese of Mangalore

ENCLOSURES.

No.....

.....

Spare copies.....

Reference...No. B 911/32--1

Station Madras ..... *Dated the* 16th Febry., 32 19

From A.R. MacEwen Esq., I.C.I.C.S.,
Secretary,

~~The~~ Land Revenue Board of Revenue, ~~Revenue~~ Settlement, ~~etc~~ ~~Separate Revenue~~.

C.F. Brackenbury Esq., I.C.S.,
Commr.of Land Revenue.

~~Resolution~~ Reference.

Read the following:-

Letter from Khan Bahadur J.Hussain, Bar-at-law, Collector of South Kanara, Ref.C.No. 641-32-A6, dated the 7th Febry., 1932:-

as per ltr at p of (X)

S.No.63/4A of Hosabettu village 22 cents in extent was tra-ferred from 'channel poramboke' to ayan as it was found to b a portion of the adjoining garden S.No.61/3 of Puchamogar village, left out at settlement owing to defective demarcatio S.No. 61/3 stands registered in the name of the Hosabettu Church. The Vicar of the Church and the Secretary of the

Parish Union of the Diocese of Mangalore request that the plot may be assigned to the Parish Union of the Diocese of Mangalore. There are no other opposing claims. I therefore recommend that the Board may be pleased to move the Government to accord sanction for the assignment of the plot to the Parish Union of the Diocese of Mangalore.

2. 34 cents of land were assigned to the Parish Union in Hosabettu village and in the whole district it owns 56acres 93 cents, the approximate market value of which is estimated at Rs.3150.

3. The records of D.R.510/1340 are enclosed.

Reference.-

Submitted to Government.

2. The Board requests that the Government may be pleased to ---------n the assignment of the plot of land S.No. 63/4 A, measuring 22 cents to the Parish Union of the Diocese of Mangalore.

(True Extract)

A. Muniswamy
Secretary.
17.2.32.

To the Secretary to Government,

Revenue Department, with one file. (X)

M.D. 17--2

Sectt. 11-5 (a)

REV DEPARTMENT.

	Date.	Initials.
When received for Fair-copying.		
When copied ..		
When examined ..		
When signed ..		
When despatched ..		

READ AGAIN G.O. No. ....., dated 19

" " " " ..... " 19

READ ALSO :—

C. No. 512F/32 From the Bd of Rev (ARPS) Regd No. B. 911-32-1, dated 16-2-1932

" " ..... " " ..... " ..... " 19

" " ..... " " ..... " ..... " 19

ORDER. No. 426, dated 22.2.1932

MS.

Under B.S.O. No. 15-23 (1) the Govt permit the assignment of S No. 63/4A measuring 22 cents in Hosahettu village, Karkal taluk, South Kanara district, to the Parish Union of the Diocese of Mangalore.

To

The Bd of Rev (ARPS) R&O with the Collr's file (x)

22/2/1932

Sd/- [illegible]

18/2/32

18/2/32

IV.

The question of the alienation [illegible] the Bd of the powers [illegible] Date 23/2 [illegible] ... ioners in under Secta- [illegible] te Govt